



Tax returns were due on April 17th this year. Even though the American people were given two extra days this year, we are running out of time to repair the IRS code. The tax system doesn't generate enough money for what America needs and spends. It's getting more expensive every year to continue the huge array of tax breaks; even as the code becomes more unfair, complex, and inefficient. It costs over a \$160 billion a year for Americans just to comply with the tax code.

The path forward should be simple. First, we should stop making the code more complex which sadly the Republican plan working its way forward will do with nearly \$50 billion of additional unfocused tax breaks. At least if we are going to borrow another \$50 billion from the Chinese and others, we should use it to fund job-creating infrastructure.

Congress should repeal the pernicious alternative minimum tax. Once designed as a tax on very rich people who didn't pay taxes, today, no billionaire hedge fund manager pays the alternative minimum tax. Instead, it falls on upper-middle income families, especially those who pay lots of taxes. Every year we will find some creative way to avoid the consequence of it not being indexed for inflation. If there is a complete breakdown in the political process—sadly, not impossible—then the full fury of 20-30 million of these middle and upper-middle income households will force it to be repealed.

Offsetting the cost of repealing the alternative minimum tax repeal should be the imposition of the "Buffett Rule." This provides that our tax code get to the original intent of the alternative minimum tax, but in a way that simplifies the tax code.

We should stop the dangerous practice of suspending some of the payroll tax in the name of economic stimulus. We are uncontrollably close to destabilizing the long term funding mechanism for social security. Instead of the payroll tax cut, let's target a tax credit for lower- and middle-income families that will be fair, affordable, and help nurture our fragile economic recovery without threatening long term social security stability.

We should target tax breaks that are out of date, like the subsidy of oil that doesn't reflect current production techniques or the realities of the global petroleum market. We should instead protect subsidies that are important to our future, especially expiring renewable energy tax credits. We should renew the section 1603 treasury grant program that reflects current market realities, providing more efficient support at a lower cost than traditional tax credits.

On this tax day, we should look for some progress towards building momentum for real tax reform. The Republican House/Romney budget refuses to identify any of the massive tax increases that will be necessary to meet their plan of tax cuts without increasing the deficit.

With \$4 trillion in expiring tax provisions this year, we can use some of that economic headroom to make the tax system simpler and fairer, while reducing the debt. The time to begin that process is now. What better way to honor American taxpayers on filing day than by getting serious with an agenda that can be achieved?

[<Previous Idea](#)
[Next Idea>](#)

